

**California Conservation Corps
Local Conservation Corps Grant Program – Fiscal Year 2008/09
Proposition 84 Budget Estimate Instructions**

Provide a Budget Narrative as supporting source documentation for this Project Budget Estimate.

This form is a Sample Only. If you choose to use your own spreadsheets for the Budget Narrative and Budget Estimate, please organize your expenses in the format provided here. Consistency will expedite review. However, if your cost centers group indirect costs differently than shown on this spreadsheet, you may reorganize both the Budget Narrative and Budget Estimate in your standard format.

Detailed information included in your Budget Narrative creates this Project Budget Estimate. Category listing should be detailed and customized to fit the project proposal. Your budget narrative must provide a full explanation of all proposed costs including their purpose, justification, and the basis of your calculations. Where appropriate, present calculations in an equation format, e.g., two hundred (200) linear feet of fencing @ \$10 per foot = \$2,000; or, salary \$60,000 @ 20% dedicated to project = \$12,000.

Cost examples included herein are not reflective of actual rates.

All costs must be able to stand up to an independent audit. Records, methodologies, and source documentation, etc. are to be kept with Local Conservation Corps Proposition 84 program files and be submitted to the CCC or an independent auditor for review upon request.

Eligible Costs

Direct project-related costs and a portion of indirect costs incurred during the Project Performance Period specified in the grant contract will be eligible for funding. All eligible project costs must be supported by the appropriate documentation. At the discretion of the CCC, some direct project-related costs incurred outside the Project Performance Period may be eligible for reimbursement.

Any project financed with funds made available by the Safe Drinking Water, Water quality and supply, flood Control, River and Coastal Protection bond Act of 2006 (Proposition 84) must comply with all provisions of Section 1771.5 of the California Labor Code. Be sure to include prevailing wages in the cost estimates, as applicable. Refer to the Department of Industrial Relations' Division of Labor Statistics and Research Web site at <http://www.dir.ca.gov/DLSR/PWD/index.htm> for general prevailing wage determinations.

**Cost Definitions (from Federal Office of Management and Budget (OMB)
Circular A-122)**

1. **Direct Costs** "are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct

activity of an organization. However, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost. Costs identified specifically with awards are direct costs of the awards and are to be assigned directly thereto. Costs identified specifically with other final cost objectives of the organization are direct costs of those cost objectives and are not to be assigned to other awards directly or indirectly.”

2. **Indirect Costs** “are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective...After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost.”

A. Direct Project Management - For Proposition 84 projects, up to 20 percent (20%) of the grant funds may be spent on non-construction costs (CEQA compliance, environmental impact reports and assessments, planning and design, utility coordination, architecture and engineering, construction plans, bid preparation, direct project administration and management).

1. **Permits / CEQA Compliance / Impact Reports** – Necessary permits for the project in addition to costs related to complying with CEQA (filing, county recording, etc.) are eligible direct costs for the project. In addition, the costs of preparing environmental impact reports, etc. are also eligible.

Example for Budget Narrative:

- Document Preparation – 30 Hours @ \$ 50.00 per hour = \$ 1,500.00
(Time spent preparing CEQA reports)
- 2 County Recording Fees @ \$ 25.00 Each = \$ 50.00

2. **Architectural, Engineering, Construction Plans** – Plans and designs stemming from the architecture, engineering and/or construction aspects of a project are eligible.

Eligible costs include baseline assessments; surveying; engineering; modeling; coordinating public involvement in design process; site surveys; time spent meeting with regulatory agencies; preparing reports; preparing draft and final documents; and responding to comments.

Example for Budget Narrative:

- Architect Design Fee – 25 hours @ \$ 125.00 per hour = \$ 3,125.00
- 2 Site Surveys @ \$ 500.00 each = \$ 1,000.00

3. **Project Management** – Costs relating to a project manager's time designated specifically for this project are eligible.

Costs for services of the grantee's employees directly engaged in project execution must be computed according to the grantee's prevailing wage or salary scales, and may include fringe benefit costs such as vacations, sick leave, Social Security contributions, etc., that are customarily charged to the recipient's various projects. Costs charged to the project must be computed on actual time spent on the project and evidenced by time and attendance records describing the work performed on the project as well as payroll records. Overtime costs are allowed under the recipient's established policy provided the regular work time was devoted to the same project.

Salaries and wages claimed for employees working on State grant-funded projects must not exceed the grantee's established rates for similar positions.

B. Direct Project Personnel

1. **Corpsmember Hours** – Provide the estimated number of corpsmember hours to be worked on the project. Use the hourly rate in the "Cost Per Unit" column derived from your hourly rate justification. Please note that the hourly rate should already include staff responsible for corpsmember supervision and training, such as crew supervisors. These staff hours are not to be included as a separate line item.

Example for Budget Narrative:

- 2,500 CM Hours @ \$ 23.50 per hour = \$ 58,750.00

2. **Technical Consultants** – If the project requires technical supervision in addition to what a crew supervisor or other local corps direct project staff member can provide, these costs are eligible.

For example, if the project requires building a structure, a technical consultant might assist corpsmembers with framing, drywall, etc.

3. **Construction Sub-Contractors** – Proposition 84 funds allocated to the CCC and LCCs should be used for corpsmember labor wherever possible. When corpsmember labor is not possible, please provide a justification. If specialized construction work on a project requires more skilled labor than corpsmembers can provide, you may elect to sub-contract. Prevailing wages and the three-bid process apply.

C. Direct Operating Expenses & Equipment – Costs of supplies, materials, transportation and equipment directly related to completion of the project are eligible for reimbursement.

- 1. Materials & Supplies** – Costs include raw materials necessary to complete the project (e.g. concrete, lumber, decomposed granite, nails, stakes, etc.)

Supplies and materials may be purchased for a specific project or may be drawn from a central stock, providing they are claimed at a cost no higher than paid by the grantee. When supplies and/or materials are purchased with the intention of constructing a piece of equipment, a structure or a part of a structure, the costs that are charged as supplies and materials may be capitalized according to the grantee's normal practice or policy. If capitalized, only that cost reasonably attributable to the project may be claimed under the project.

Example for Budget Narrative:

- 40 cubic feet of decomposed granite @ \$ 10.00/cu ft = \$ 400

- 2. Equipment** - Equipment owned by the grantee may be charged to the project for each use. Equipment use charges must be made in accordance with the grantee's normal accounting practices. The equipment rental rates published by the California Department of General Services or local prevailing rental rates may be used as a guide.

If the grantee's equipment is used, a report or source document must describe the work performed, indicate the hours used, relate the use to the project, and be signed by the operator and supervisor.

Equipment may be leased, rented, or purchased, whichever is most economical. If equipment is purchased, its residual market value must be returned to the State or deducted from the final retention payment upon completion of the *project*. An example follows:

A concrete mixer is purchased for a *project*. The *LCC* will need to determine a methodology (and document this with the Bond Program Analyst) for how much of the mixer can be billed to the *project* per each day of use (i.e. obtain an average of local daily rental rates and use that amount for each day of use). For the purpose of this example, the purchase of the mixer is \$5,000.00 and an average of daily rental rates is \$100 per day. The *LCC* needs to keep a log of usage for each piece of equipment purchased. At the end of the *project*, the log shows that the mixer was used for 20 days. Using the established daily rate of \$100 per day, a total of \$2,000 (20 days x \$100 per day) can be charged to the *project*. The residual market value is the original cost, less the amount of use (\$5,000 - \$2,000), or \$3,000 in this case. The *LCC* can either return

the \$3,000 residual market value to the state or have this amount deducted from the final retention. In many cases, it is more efficient (time and money) for an *LCC* to rent or lease equipment.

3. **Vehicle Expense** - Enter costs for vehicle fuel, projected maintenance for either leased, rented or owned vehicles. If a vehicle is owned by the local corps and not used 100% for work on this proposed project, a tracking log will need to be kept to provide source documentation for the proportional amounts of these costs.

ALTERNATIVE to above - If a vehicle is owned by the local corps and used for project work, mileage may be charged (in addition to an established daily rate as determined by the local corps with the methodology provided to the CCC) in lieu of vehicle operation expenses at the State reimbursement rate, currently \$.585 per mile as of July 1, 2008. A log must be kept to document miles on the given project.

Example for Budget Narrative:

- 5 Vehicles x 1,000 miles each @ .585 cents per mile = \$2,925
- 5 Vehicles x 10 days @ \$ 75.00 per day (local rental rate) = \$3,750

4. **Acknowledgement Signage** – eligible costs include construction and placement of informational signs, which describe the project and its connection with larger river and watershed processes and for recommended Bond acknowledgement signs (see Appendix F).
5. **Other** - In addition to the major categories of expenditures, funding may be provided for miscellaneous costs necessary for project execution at the State's discretion. Some of these costs may include:
 - Premiums on hazard and liability insurance to cover personnel and/or property.
 - Work performed by another section or department of the Grantee's agency that can be documented as direct costs to the project.

D. Indirect Costs – For Proposition 84 projects, up to fifteen percent (15%) of the total grant amount may be reimbursed for reasonable indirect costs. A methodology for allocating indirect costs must be specified at the **top** of the Indirect Costs section of the Budget Narrative. Methodologies must be comply with those specified in Federal OMB Circular A-122 and remain consistent through the duration of the project.

1. **Administrative Executive/Human Resources/Information Technology/Support Services Staff Salaries, Wages, Taxes and Benefits** - A proportional amount for services of the grantee's employees not directly

engaged in project execution is eligible for reimbursement. Services must be computed according to the grantee's prevailing wage or salary scales, and may include fringe benefit costs such as vacations, sick leave, Social Security contributions, etc., that are customarily charged to the recipient's various projects. The Budget Narrative must state the proportional percentage attributed to each position.

Salaries and wages claimed for employees working on State grant-funded projects must not exceed the grantee's established rates for similar positions.

Example for Budget Narrative:

- Executive Director – $\$80,000 \times .03$ (3% attributed to project) = \$2,400
- Exec Dir Salary \$ 2,400 $\times .15$ benefit/tax rate = \$360

2. **Accounting and Legal Services** – If outside sub-contractors are used for these services, please enter the allocated percentage of these services on the Budget Narrative.
3. **Local Travel (Transportation)** – Costs for getting administrative, executive or support staff to and from project local for site visits.
4. **Out-Of-Town Travel** – An example of this would be costs for administrative, executive or support staff to attend Proposition 84 update workshops. Eligible accommodation, meal and mileage rates must match those for State of California employees. Please ask you Bond Program Analyst if you need a copy of the eligible rates.

Example for Budget Narrative:

- 400 Miles @ .585 per mile = \$ 234
- 2 staff dinner @ \$ 18.00 per dinner = \$ 36
- 2 overnight accommodations @ \$ 84 per night = \$ 168

5. **Facility Expenses** – After facility expenses directly tied to project work have been determined in the Hourly Rate Justification, the remainder can be portioned out as indirect costs. Categories include rent, utilities and maintenance.

Special attention must be paid to make certain the indirect amount does not include any portion of the amount included in the Hourly Rate Justification.

6. **Phone / Internet / Advertising & Printing / Postage & Shipping / Office Supplies / Small Office Furniture / Equipment / Dues & Subscriptions** – All of these categories are considered administrative costs associated with running an operation. Unless a cost can be specifically tied to a project (i.e.

printing a flyer to inform the community about a meeting to discuss a project would be a direct cost), it must be treated as indirect.

- E. Contingency** - Up to 10% of the grant may be budgeted for contingency costs. All such costs must be eligible per these guidelines. Contingency funding is available for use in any of the budget categories except indirect costs. Explanation and approval may be required prior to expenditure of contingency funds. Inform your Bond Program Analyst in advance if Contingency funding may be necessary.
- F. Other Sources of Funding** – Include a table outlining additional sources of funding for this project at the **bottom** of your Budget Narrative. Sources to include matches, other grants, donations, etc.